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ACCEPTED/FILED

MAY 20 2015

May 12, 2015

Federal Communications Commission  
Office of the Secretary

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Attention: Wireline Competition Bureau

RE: Petition for Waiver of Sections 51.909(a), 51.917(b)(1) And 51.917(b)(7)  
of the Commission's Rules to modify Access Rate Bands and Charges, and  
2011 Switched Access Revenue in connection with a merger of affiliated Study  
Areas in Iowa  
Butler-Bremer Mutual Telephone Company, Inc

Dear Ms. Dortch:

On behalf of Butler-Bremer Mutual Telephone Company, Inc. ("Butler-Bremer"), GVNW respectfully submits the above-referenced Petition for Waiver. Butler-Bremer requests a waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) regarding intercarrier compensation rules to modify access rate bands and charges, and 2011 Switched Access Revenue in connection with a merger and consolidation of the Butler-Bremer Iowa study area (Study Area Code 351115) with the Shell Rock Communications Iowa study area (Study Area 351295) that are jointly owned by Butler-Bremer.

Please address any correspondence regarding this transmittal to the attention of Jonas Karlsson at the following address, e-mail, and telephone number:

Jonas Karlsson  
Senior Consultant  
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Sincerely,

Jonas Karlsson

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of

**BUTLER-BREMER MUTUAL TELEPHONE  
COMPANY, INC.**

Petition for waiver of Sections 51.909(a), 51.917(b)(1)  
And 51.917(b)(7) of the Commission's Rules to modify  
Access rate bands and charges, and 2011 Switched  
Access Revenue in connection with merger of affiliated  
Study areas in Iowa

TO: Chief, Wireline Competition Bureau

**PETITION FOR WAIVER  
OF PART 51 ACCESS CHARGE AND CAF-ICC CALCULATIONS**

Butler-Bremer Mutual Telephone Company, Inc. ("Butler-Bremer") hereby requests waiver of Section 51.909(a) of the Commission's Rules to recalculate for two commonly-owned study areas in the same state the rate bands and charges for local switching, tandem switching, and dedicated transport services; and Sections 51.917(b)(1) and 51.917(b)(7) of the Rules to recalculate for the same combined study areas the 2011 Interstate Switched Access Revenue Requirement and 2011 Rate-of-Return Based Period Revenue necessary to determine Connect America Fund – Intercarrier Compensation ("CAF-ICC") support. The waivers are necessary in order to merge and consolidate the Butler-Bremer Iowa study area (Study Area Code 351115) into the Shell Rock Iowa study area (Study Area 351295) that are jointly owned by Butler-Bremer.

### Background

Butler-Bremer is an incumbent local exchange carrier ("ILEC") that serves approximately 1,697 access lines in Iowa. Butler-Bremer also owns Shell Rock Communications ("Shell Rock") which serves approximately 682 access lines in Iowa. The two study areas were obtained separately and are currently operating as separate study areas (see Exhibit A). Butler-Bremer and Shell Rock are listed separately in the National Exchange Carrier Association ("NECA") Tariff F. C. C. No. 5 as issuing carriers with each having its own rates.

Butler-Bremer is an average schedule company that would like to have its commonly owned study area of Shell Rock, which is currently a cost company, merged into the Butler-Bremer study area to form a single consolidated study area as of November 1, 2015. The merged study area entity will be known as Butler-Bremer Mutual Telephone Company, Inc. (Study Area Code 351115) and Butler-Bremer would convert from an average schedule company to a cost company for revenue purposes. Butler-Bremer estimates that this merger and consolidation of study areas will save the company approximately \$45,000 per year in accounting, reporting, and other administrative costs.

Butler-Bremer believes that it is not required to seek a study area waiver from the Commission's 1984 study area boundary freeze Order because it is a holding company that is consolidating existing study areas in the same state. See *Request for Clarification Filed by the National Exchange Carriers Association, Inc.*, DA 96-1129, 11 FCC Rcd 8156, 8160, para. 9 (rel July 16, 1996) (*Study Area Exceptions Order*). However, since the Butler-Bremer study area is in Rate Band 8 for Local Switching Service and Rate Band 10 for Dedicated Transport Services, and the Shell Rock study area is in Rate Band 6 for Local Switching Service and Rate Band 8 for



Dedicated Transport Services, Butler-Bremer needs a waiver of Section 51.909(a) of the Rules so that it can establish consolidated rate bands and access rates for its merged study area.

Butler-Bremer also needs a waiver of Section 51.917(b)(1) to combine the 2011 Interstate Switched Access Revenue Requirements for the Butler-Bremer and Shell Rock study areas into a consolidated 2011 Interstate Switched Access Revenue Requirement for the merged study area; and a waiver of Section 51.917(b)(7) to combine the 2011 Rate-of-Return Carrier Bases Period Revenue for the Butler-Bremer and Shell Rock study areas into a single 2011 Rate-of-Return Carrier Bases Period Revenue amount for the merged study area.

#### **Good Cause Exists For The Waivers To Be Granted**

The Commission may waive its rules for good cause shown pursuant to 47 C. F. R. § 1.3. Further, the Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest. *Northeast Cellular Telephone Co. v. FCC*, 897 F. 2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*). Moreover, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. *WAIT Radio v. FCC*, 418 F. 2d 1153, 1159 (D.C. Cir. 1969)(*WAIT Radio*), cert. denied, 409 U. S. 1027 (1972); *Northeast Cellular*, 897 F.2d at 1166.

Here, good cause exists for Butler-Bremer's requested waivers of Sections 51.909(a), 51.917(b)(1), and 51.917(b)(7) because (a) the merger of commonly owned study areas in the same state tend to reduce USF draws or create other savings and is consistent with Commission policy regarding study area reconfiguration that the Commission encourages as serving the public interest; (b) the consolidation of the access rate bands for the merged study area are revenue neutral; and (c) the consolidation of the 2011 Interstate Switched Access Revenue Requirement and Rate-of-Return Carrier Base Period Revenue for the merged study area

produces no adverse impact upon the Connect America Fund Intercarrier Compensation ("CAF-ICC") mechanism.

Butler-Bremer's request produces the combined results of a merged study area with a Rate Band 8 for Local Switching Service and Rate Band 9 for Dedicated Transport Service (see Exhibit B). The Tandem Switching Service will remain Rate Band 2 since both the Butler-Bremer and Shell Rock study areas were Rate Band 2 for Tandem Switching Service prior to the merger. In total, the impact of the merger of the two study areas is revenue neutral with access revenues of the consolidated study area equal to those of the pre-merger study areas.

Further, the merger will not have a negative impact upon Access Recovery Charges ("ARCs") paid by Butler-Bremer exchange customers and the combined merged study area ARC results in a CAF/ICC amount that is \$217,367 which is \$819 less than the total support the study areas received prior the merger of the areas (see Exhibit C).

#### Conclusion

Butler-Bremer requests a waiver of Sections 51.909(a), 51.917(b)(1), and 51.917(b)(7) of the Commission's Rules so that the company can finalize a merger of its Shell Rock study area into its Butler-Bremer study area by November 1, 2015 or as soon as possible thereafter.

Respectfully submitted,  
**BUTLER-BREMER MUTUAL  
TELEPHONE COMPANY, INC.**

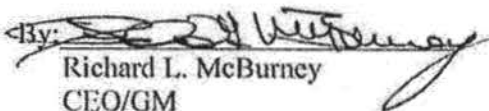
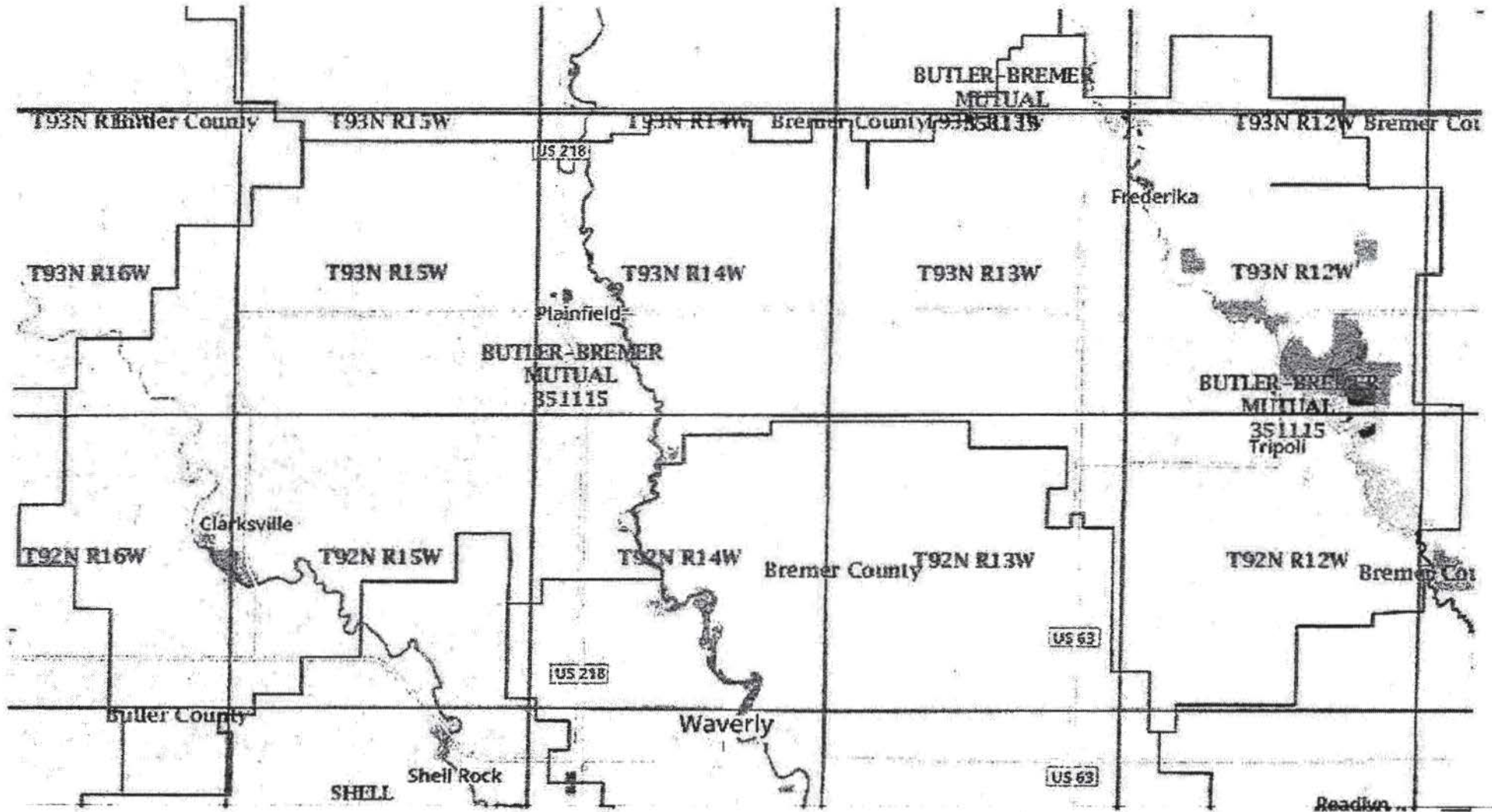
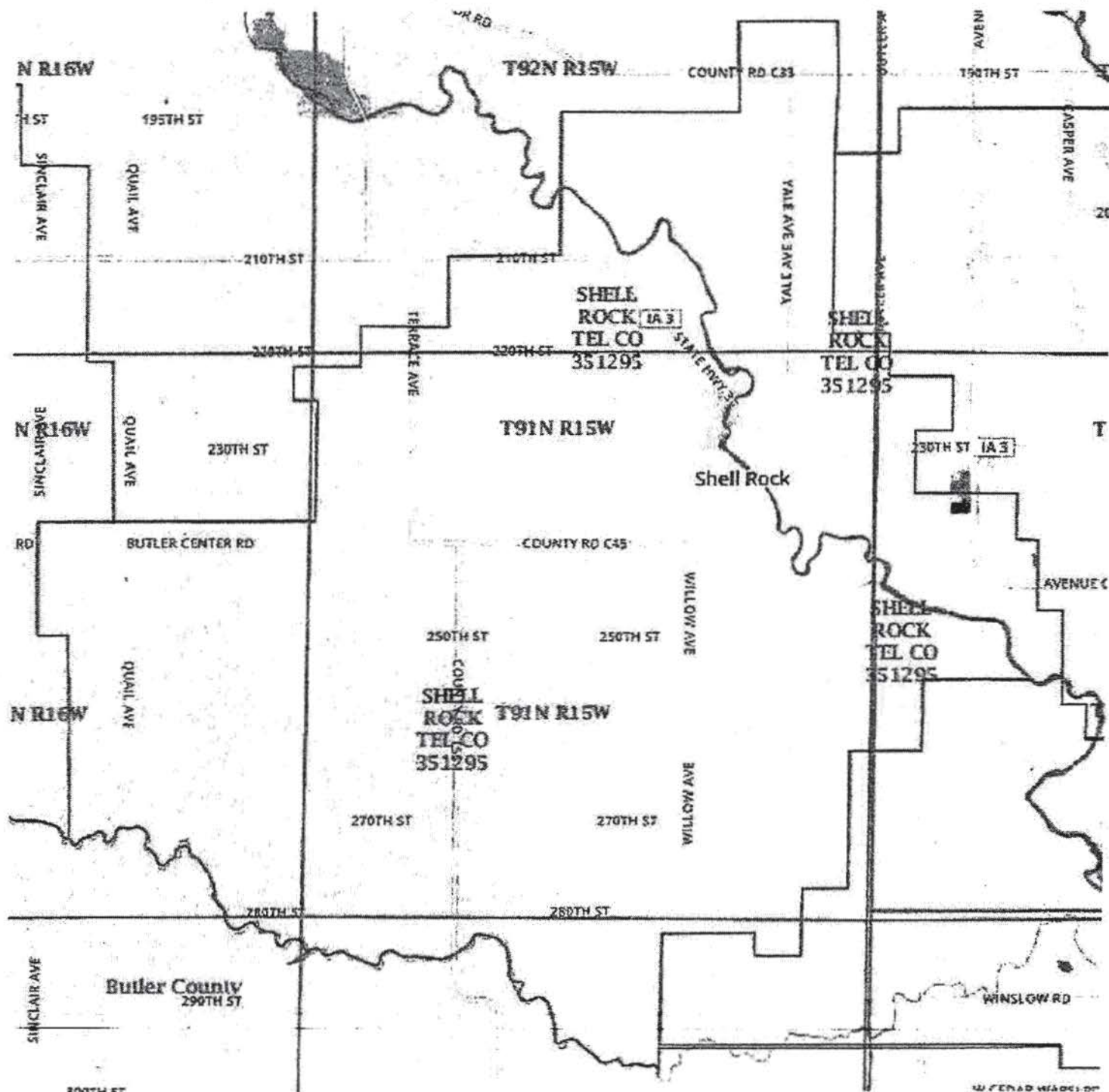
By:   
Richard L. McBurney  
CEO/GM

EXHIBIT A



Butler-Bremer Mutual Telephone Company  
Exchange Boundary  
Map





Shell Rock  
Exchange Boundary  
Map



## EXHIBIT B

#### Local Switching Rate Band Placement

		ISRRQ11	LSS11	LS Cost	LS Band	Forecasted Min
351115	BUTLER-BREMER MUTUAL	\$122,840	\$81,516	\$0.068379	8	1,796,461
351295	SHELL ROCK COMM	\$24,432	\$35,284	\$0.035823	6	682,014
Combined	BUTLER-BREMER MUTUAL	\$147,272		\$0.059420	8	2,478,475

Test Period 201112 (interstate frozen baseline) is from July 1, 2011 through June 30, 2012.

All Local Switching RRQ, Forecasted Minutes and Rate Band placements are from NECA's 2011 Annual Filing.

#### Tandem Switching

		Retention Ratio	Rate Band
351115	BUTLER-BREMER MUTUAL	4.2860	2
351295	SHELL ROCK COMM	2.1872	2
Combined	BUTLER-BREMER MUTUAL		2

#### Dedicated Transport

		RRQ	Revenue	Retention Ratio	Rate Band
351115	BUTLER-BREMER MUTUAL	\$116,480	\$93,661	1.2436	10
351295	SHELL ROCK COMM	\$195,258	\$186,743	1.0456	8
Combined	BUTLER-BREMER MUTUAL	\$311,738	\$280,404	1.1117	9

Dedicated transport rate band is the same as the Special Access rate band for the test period July 1, 2011 through June 30, 2012

## EXHIBIT C



## Interstate

sarid	RRQ	CurrentEORate	ProposedEORate	CurrentCompRate	ProjectedMin	ProCurrent Rev	TermLSmin	TermRevC urrent	TermRevProj	Projected Rev	Allocated Rev	InterER	
351115		\$222,662	\$0.033554	\$0.018465	\$0.095456	1,591,331	\$151,902	817,307	\$27,424	\$15,092	\$139,570	\$97,093	\$125,569
351295		\$62,570	\$0.027245	\$0.015472	\$0.028562	519,096	\$14,826	443,619	\$12,086	\$6,864	\$9,604	\$27,095	\$35,475
Combined		\$285,232	\$0.033554	\$0.018465	\$0.077748	2,110,427	\$166,081	1,260,926	\$42,309	\$23,283	\$145,055	\$124,185	\$161,047

## Intrastate

sarid	YR1ActualRev	RRQ	TPNonVOIPMin	TPExpMaxTransRev	TPintrastateER
351115	\$100,575	\$81,919	751,350	\$20,109	\$61,810
351295	\$17,238	\$14,040	274,905	\$6,535	\$7,506
Combined	\$117,813	\$95,959	1,026,255	\$27,467	\$68,493

## CMRS

sarid	YR1_TermRecipCompRev	TP_TermRecipComp pMin	TP_TermRecipComp Rate	TP_NetExpRecipComp pRev	RRQ	CMRS_ER
351115	\$47,665	19,990	\$0	\$844	\$38,823	\$37,979
351295	\$17,013	9,595	\$0	\$405	\$13,857	\$13,452
Combined	\$64,678	29,585	\$0	\$1,249	\$52,681	\$51,431

## Non CMRS

sarid	YR1_TermRecipCompRev	TP_TermRecipComp pMin	TP_TermRecipComp Rate	TP_NetExpRecipComp pRev	RRQ	CMRS_ER
351115	\$0	0	\$0	\$0	\$0	\$0
351295	\$0	0	\$0	\$0	\$0	\$0
Combined						\$0

## Exogenous Costs

sarid	TRS_Increment	Reg_Fees_Increase nt	NANPA_Increment	Total Exogenous Costs
351115				
351295	\$1,307	\$10,743	\$0	\$12,050
Combined	\$1,307	\$10,743	\$0	\$12,050

## Residential ARC

sarid	SAR_ABBR	ExchangeName	Res Lines	Res_ARC Rev	RESARCRate
351115	BUTLER-BREMER MUTUAL	Clarksville	440	\$10,560	\$2
351115	BUTLER-BREMER MUTUAL	Frederika	131	\$3,144	\$2
351115	BUTLER-BREMER MUTUAL	Plainfield	366	\$8,784	\$2
351115	BUTLER-BREMER MUTUAL	Trippoli	392	\$9,408	\$2
351295	SHELL ROCK COMM	Shell Rock	467	\$11,208	\$2

## ARC Rate and Revenue

sarid	SAR_ABBR	TP12_TPRESLines	TP12_SLBLines	TP12_MLBLines	Res_ARC Rev	SLB_ARC Rev	MLB_AR CRev	Total ARC Rev	SLBARCRate	MLBARCR ate
351115	BUTLER-BREMER MUTUAL	1,329	102	230	\$31,896	\$2,448	\$8,280	\$42,624	\$2	\$3
351295	SHELL ROCK COMM	467	57	147	\$11,208	\$1,368	\$5,292	\$17,868	\$2	\$3
Combined		1,796	159	377	\$43,104	\$3,816	\$13,572	\$60,492	\$2	\$3

sarid	ER_pretrueup	RESARC_pretrueup	SLBARC_pretrueup	MLBARC_pretrueup	totalARC_pretru e	CAFICC_pr ettrueup	netimpact_ pretru	ER	RESARC	SLBARC	MLBARC	totalARC	CAFICC
351115	\$225,358	\$31,896	\$2,448	\$8,280	\$42,624	\$182,734	(\$21,676)	\$203,682	\$31,896	\$2,448	\$8,280	\$42,624	\$161,058
351295	\$68,482	\$11,208	\$1,368	\$5,292	\$17,868	\$50,614	\$6,513	\$74,996	\$11,208	\$1,368	\$5,292	\$17,868	\$37,128
Combined	\$293,021	\$43,104	\$3,816	\$13,572	\$60,492	\$233,329	(\$15,163)	\$277,859	\$43,104	\$3,816	\$13,572	\$60,492	\$217,367